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## **STANDING COMMITTEE ON SOCIAL AFFAIRS**

**Review of the:**

**Fiji Roads Authority 2017/2018 Annual Report**

**Fiji Roads Authority 2016/2017 Annual Report**



**PARLIAMENT OF THE REPUBLIC OF FIJI**  
**Parliamentary Paper No. 37 of 2022**

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## COMMITTEE MEMBERSHIP



### **Chairperson**

Hon. Viam Pillay MP  
Government Member

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### **Deputy Chairperson**

Hon. George Vegnathan MP  
Government Member

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### **Member**

Hon. Alipate Nagata MP  
Government Member

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### **Member**

Hon. Salote Radrodoro MP  
Opposition Member

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### **Member**

Hon. Dr Ratu Atonio Lalabalavu MP  
Opposition Member

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## CHAIRPERSON'S FOREWORD

I am pleased to present the report of the Standing Committee on Social Affairs on the annual review of the Fiji Roads Authority (FRA) for 2017/2018 & 2016/2017.

This review was undertaken in accordance with Standing Order 109(2)(b) which mandates the committee to look into issues related to health, education, social services, labour, culture and media. The committee first met to deliberate in April of this year and formulated questions pertaining to the Annual Reports, which were sent to FRA for its response. Upon receipt of all relevant information on the committee's queries, the committee compiled its findings and subsequently endorsed its report in May.

Some of the pertinent findings emanating from the scrutiny of FRA's Annual Reports are as follows:

- The focus for the 2017/2018 year was the restructure of FRA to bring in processes and procedures to enable it to make decisions that are based on sound governance.
- During the 2017/2018 year, FRA was able to carry out maintenance work to the value of \$121 million on the road and structure, and a further \$38 million was spent on emergency services.
- The New Capital works projects focused on the delivery of much needed new assets in support of Public Safety and Accessibility, with a major push on providing safe pedestrian access and street lighting. 2017/2018 saw the completion of FRA's first Solar Street lighting Network. The total New Capital spend for the year was \$275 million.
- 2017/2018 also marked major expenditure in the new capital access sector, which consists of rural roads around the country, with a spend of \$38 million.
- As part of the programme to improve access throughout the country, FRA's Asset Renewal projects recorded a spend of \$143 million on roads, bridges and jetties renewals.
- The Authority also made a major investment in road safety for communities, which included new footpaths, improving access for people with disabilities, construction of new bus shelters and waiting facilities at the jetties. The Fiji Roads Authority spent \$18 million in this sector in the 2017/2018 financial year.

At this juncture, I wish to thank the Chief Executive Officer of the Fiji Roads Authority, Mr. Kamal Prasad, and his staff for their timely assistance in this review process. I also extend my gratitude to my Committee colleagues namely: Hon. George Vegnathan (Deputy Chairperson), Hon. Alipate Nagata, Hon. Salote Radrodoro and Hon. Dr Ratu Atonio Lalabalavu for their contributions during the committee's deliberations.

On behalf of the Standing Committee on Social Affairs, I commend this Report to Parliament and request all members of this august House to take note of the Report.



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**Hon. Viam Pillay**  
**Chairperson**



## RECOMMENDATION:

The Standing Committee on Social Affairs has conducted the annual review of the Fiji Roads Authority for 2017/2018 & 2016/2017 and recommends that the House take note of its report.

### 1.0 INTRODUCTION

The 2017/2018 & 2016/2017 Annual Reports of the Fiji Roads Authority were tabled in Parliament in the April 2022 sitting and referred to the Standing Committee on Social Affairs for its scrutiny.

Standing Orders 109(2)(b) allows Standing Committee on Social Affairs to examine matters related to health, education, social services, labour, culture and media.

Furthermore, Standing Orders 110(1)(c) authorises the Standing Committee to “*scrutinise the government departments with responsibility within the committee's subject area, including by investigating, inquiring into, and making recommendations relating to any aspect of such a department's administration, legislation or proposed legislative program, budget, rationalisation, restructuring, functioning, organisation, structure and policy formulation.*”

#### 1.1 Committee Procedure

We first met in April to deliberate on and formulate questions pertaining to the 2017/2018 & 2016/2017 Annual Reports of FRA, which were sent to FRA for its response.

Upon receipt of all relevant information on the committee's queries, we compiled our findings on the Annual Reports and subsequently endorsed it in the early part of this month.

We received written response from the Fiji Roads Authority for this annual review. It is available on the Parliament website, at the following link:

<http://www.parliament.gov.fj/committees/standing-committee-on-social-affairs/>

## **2.0 ABOUT THE FIJI ROADS AUTHORITY**

The Fiji Roads Authority is the organisation responsible for planning, developing and maintaining Fiji's \$11billion road infrastructure. The infrastructure primarily consists of approximately 6377km of road, 1200 bridges, 9000+ streetlights and 47 jetties.

FRA operates as a body corporate governed under the leadership of a board. FRA manages the roading assets primarily through out-sourced contracts with the private sector.

## **3.0 COMMITTEE'S OBSERVATIONS**

- 3.1 Traffic congestion in major cities and towns – FRA will be optimising the local area traffic management to keep the level of service to an acceptable level. This will be in the form of good running surface, additional lanes, re-routing traffic flow, overpass at locations where high number of pedestrians are crossing major roads, communicating journey times and working with enforcement agencies in improving driver behaviour.
- 3.2 We queried FRA on the persistent occurrence of slips at the Korosomo and Lomaloma roads due to high volume of precipitation even after completion of repair works and its plans to address this issue. FRA informed us that the Nabouwalu Road at the Korosomo slip site would be realigned to mitigate the chances of another slip at the location. As for the Lomaloma slip, a 150m long bridge will be installed at the same location. There is a need to make the main supply routes resilient to be accessible after disaster.
- 3.3 The auditor issued a qualified audit opinion on the 2017/2018 accounts of FRA as it did not bring to account the amount payable and contribution receivable to and from the Municipal Councils amounting to \$28,559,736 and \$44,037,877 respectively in the Statement of Financial position. These amounts were disclosed as Contingent Liabilities in the notes of the financial statements (Note 12). In 2012, the Authority entered into Memorandum of Agreements with the Municipal Councils whereby the Councils were delegated work by the Authority to be carried out for which the Authority would reimburse the costs to the councils. It was also agreed that the Councils would pay the Authority an annual contribution for council roads maintained by the Authority. Consequently, the Authority's receivable and payable and the related expense and income accounts for the 2017/2018 year and prior years were understated.

The committee notes that this issue is still present as currently, FRA is working on a new memoranda of agreement. The Ministry of Economy now handles the collections for previous dues. Based on the current MOA, the breakdown is provided on the next page:

	Contingent Liabilities (Accounts Payable) (VEP)	Contingent Assets (Accounts Receivable) (VEP)
Municipal Council		
Labasa Town Council	1,504,426.92	1,604,166.67
Nasinu Town Council	2,587,291.67	2,587,291.67
Tavua Town Council	151,250.00	151,250.00
Lami Town Council	1,028,755.98	1,141,983.33
Savusavu Town Council	368,827.34	551,833.33
Nausori Town Council	2,208,886.12	2,853,125.00
Ba Town Council	2,133,863.42	2,299,096.25
Sigatoka Town Council	1,879,029.17	1,983,556.67
Nadi Town Council	3,491,138.11	4,148,164.17
Suva City Council	9,665,257.81	21,744,240.83
Lautoka City Council	3,541,010.09	4,973,168.63
Total	28,559,736.62	44,037,876.55

Source: Written Response of FRA

- 3.4 An Emphasis of Matter was made by the auditor in relation to the 2017/2018 accounts of FRA. This was in relation to the following:

*The Authority administers the Transport Infrastructure Sector Project, which is funded by ADB and World Bank. Procurement anomalies were noted during the audit of the project where the Authority did not comply with the implementation arrangements set forth in the Project Administration Manual stated in the Loan Agreement. The Project Administration Manual required that the ADB Procurement Guidelines be followed for the procurement of goods and works. The Authority prepared the contract agreement for Contract Number FRA/TIISP/16-01 Suva Arterial Roads Upgrading Project (SARUP 1) under FRA general terms and conditions but ADB determined a misprocurement as some amendments were made to the FIDIC clauses. Consequently, ADB terminated the funding, which resulted in the Authority bearing the responsibility to meet the total cost of the SARUP 1 project totalling \$30,429,323, which had an impact on the Authority's budget.*

We questioned FRA on the measures put in place to avoid recurrence of such issues so that funding opportunities are not forfeited due to the lack of stringent adherence to set guidelines and processes of funding bodies. FRA informed us that all contract documents now follow the FIDIC set of conditions.



## 4.0 COMMITTEE SITE VISIT

The committee visited the Fiji Roads Authority Office in Labasa. Discussions held with the FRA CEO centred on capital projects to be undertaken to address flooding and subsequent damage to the roading infrastructure. This includes the need to replace the current Labasa Bridge; construction of bypass roads to the Labasa town via Nanuku Street and the Friendly North Inn; construction of commercial infrastructure or flats to address frequent flooding along the Soasoa, Wailevu Tiri, and Emily flats; and construction of sea walls at Malau foreshore to mitigate coastal erosion.

## 5.0 COMMITTEE RECOMMENDATIONS

1. The committee recommends that the Fiji Roads Authority:

- continue to collaborate and work together with the Ministry of Waterways, Fiji Sugar Corporation, Ministry of Agriculture, Municipal Councils, Land Transport Authority, and other relevant agencies to maintain, expand and develop a resilient road network;
- in recognising the detrimental effects of climate change on our coastal roads, ensure that a comprehensive coastal and flood protection plan is formulated, budgeted for and implemented;
- continue to develop and maintain alternative and resilient routes which are accessible after disasters;
- continue to maintain roadside drainage so as to reduce flooding and subsequent damages to roads;
- create permanent solutions for crossings which are continuously damaged during cyclones and floods;
- expedite the planning and design of its low level crossing resilience programme and commence with physical works at affected areas;
- consider taking over non-FRA roads which are accessible to public transport so as to enable their timely maintenance and upkeep;
- in consultation with relevant agencies, review road widths in rural and urban areas to cater for the increasing road usage;
- develop or maintain hinterland roads to ease traffic congestion on Fiji's main roads;

- continue repairing and maintaining jetties, passenger shelters, and public amenities; and
- fast track its work on creating by pass roads and bridges to ease traffic congestion in towns and cities.

## **5.0 CONCLUSION**

The committee has fulfilled its mandate to review the 2017/2018 & 2016/2017 Annual Reports of the Fiji Roads Authority. As part of its review process, the committee received a written response from FRA.


In this review report, the committee has highlighted its findings of the FRA's financial and operational performance for the period from 2016 – 2018 and recommendations set forth for the improvements of its processes.

## COMMITTEE MEMBERS' SIGNATURE

We, the Members of the Standing Committee on Social Affairs, hereby agree with the contents of this report:

  
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**Hon. Viam Pillay**  
**(Chairperson)**

  
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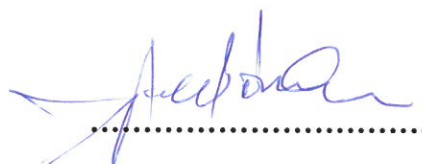
**Hon. George Vegnathan**  
**(Deputy Chairperson)**

  
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**Hon. Salote Radrodro**  
**(Member)**

  
.....

**Hon. Alipate Nagata**  
**(Member)**

  
.....

**Hon. Dr. Ratu Atonio Lalabalavu**  
**(Member)**

## APPENDIX

### Published written evidence

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Written evidence was received from the Fiji Roads Authority and can be viewed on the Parliament website at the following link: <http://www.parliament.gov.fj/committees/standing-committee-on-social-affairs/>